

Frequently Asked Questions MRMIP and Post-MRMIP Guaranteed-Issue Coverage

GENERAL INFORMATION

1. What is Post-MRMIP Guaranteed-Issue Coverage?

Post-MRMIP guaranteed-issue coverage is health insurance coverage that is provided to MRMIP subscribers who have been enrolled in the MRMIP for 36 consecutive months of coverage. Health care service plans and insurance carriers offering individual health insurance coverage are required to offer guaranteed-issue coverage to any subscriber who is disenrolled from MRMIP after 36 consecutive months of coverage. Approximately 45 days prior to their date of disenrollment from MRMIP, the program will mail subscribers a Certificate of Program Completion that will enable them to obtain similar insurance in the individual insurance market. Subscribers must apply to the participating health plan or health insurance carrier no later than 63 days after their date of disenrollment from MRMIP.

Subscribers will not be eligible for Post-MRMIP guaranteed-issue coverage if they are eligible for Medicare Part A and Part B (unless it is due to end-stage renal disease).

2. Why is the MRMIP changing?

The MRMIP is changing because of a recently enacted law (Assembly Bill 1401) which: 1) limits the time MRMIP subscribers and dependents can remain enrolled in MRMIP, and 2) requires health plans and insurance carriers to provide guaranteed-issue coverage to MRMIP subscribers leaving MRMIP after 36 consecutive months of coverage. MRMIP is being restructured in order to reduce the applicant waiting list and to serve more individuals with limited funding.

3. Is it true that subscribers will become ineligible to continue coverage in MRMIP once they have been enrolled for 36 consecutive months?

Yes, the law was very specific that subscribers must be disenrolled from the program after 36 consecutive months of coverage in MRMIP.

4. How will subscribers who will be disenrolled from the MRMIP be notified about Post-MRMIP Guaranteed-Issue Coverage?

In March 2003, a general notification about the changes to MRMIP and post-MRMIP guaranteed-issue coverage was sent to all MRMIP subscribers.

MRMIP subscribers who will be disenrolled after 36 consecutive months of coverage will receive four notices (three prior to their disenrollment date and one notice after disenrollment from MRMIP). The notices will be sent as follows:

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- 90 days prior to the disenrollment date: This notice will include the date of the subscriber's disenrollment from the MRMIP, a brochure that describes the changes to MRMIP, and a Rate Chart and Benefit Matrix with contact information (telephone numbers and website addresses) for plans offering guaranteed-issue coverage.
- 45 days prior to the disenrollment date: This notice will include the subscriber's Certificate of Program Completion. A copy of this Certificate must accompany the subscriber's application for guaranteed-issue coverage in order for the participating health plan to approve the application.
- 10 days prior to the disenrollment date: This notice will provide subscribers with information on how to request a review by the State agency that administers the MRMIP, if they believe they are being disenrolled in error.
- 30 days after the disenrollment date: This notice will remind subscribers that they must apply for guaranteed-issue coverage within 63 days from their disenrollment date from MRMIP, or they will lose their eligibility for post-MRMIP guaranteed-issue coverage.

5. Are there any circumstances under which a subscriber's MRMIP coverage can be extended beyond 36 consecutive months?

No, the law is very specific that the subscriber must be disenrolled from the MRMIP after 36 consecutive months of coverage. The law does not include a provision for an exemption to this requirement or an extension of coverage beyond the specified 36 consecutive months.

6. When will the subscriber be disenrolled from MRMIP and offered the opportunity to enroll in Post-MRMIP Guaranteed-Issue Coverage?

- a. If a subscriber was enrolled **on or before** 9/01/2000, he/she was disenrolled on **9/01/2003**. The subscriber should have received information approximately three months before **9/01/2003**.
- b. If a subscriber was enrolled in MRMIP **after** 9/01/2000, he/she will be disenrolled from MRMIP 36 consecutive months after his/her original effective date of coverage. Three months prior to the completion of the 36th month of consecutive coverage, he/she will receive a notice regarding the transition.

7. How does the subscriber qualify for Post-MRMIP Guaranteed-Issue Coverage?

After completing 36 consecutive months of enrollment in the MRMIP, the subscriber will become eligible for post-MRMIP guaranteed-issue coverage. Three months prior to disenrollment from the MRMIP, the subscriber will receive notification from the program.

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8. **If a subscriber paid his/her premiums for a period beyond 36 months in MRMIP, will he/she be able to remain enrolled in MRMIP with the current plan until the premiums are exhausted?**

No, the law limits the participation in the MRMIP to 36 consecutive months. If the subscriber has a credit balance on his/her account after disenrollment from MRMIP, it will be refunded.

Advanced payment of premiums **does not extend** coverage in the MRMIP.

9. **If a subscriber cannot enroll in Post-MRMIP Guaranteed-Issue Coverage because he/she is eligible for Medicare Part A and B, are there other options available for health care coverage?**

Most subscribers who become eligible for Medicare because of **age or disability** are entitled to purchase insurance to supplement their Medicare for six months after they purchase Medicare Part B, and under certain other circumstances. For individuals who become eligible for Medicare because of a **disability**, the right to buy this supplemental insurance is the result of a recent state law. To obtain free information and confidential counseling about these rights, an individual can call the state Health Insurance Counseling and Advocacy Program (HICAP) at 1-800-434-0222.

If an individual has Medicare because of a **disability** and missed his/her original six-month opportunity to purchase supplemental insurance, there is a **one-time opportunity** to purchase this insurance **for ninety days starting January 1, 2004**.

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HOW DOES A SUBSCRIBER ENROLL IN A POST-MRMIP GUARANTEED-ISSUE PLAN?

- 1. When does the subscriber have to select a plan offering Post-MRMIP Guaranteed-Issue Coverage?**

To avoid a disruption in coverage, subscribers should apply for post-MRMIP guaranteed-issue coverage as soon as they are notified by MRMIP that they will be disenrolled and they have received their Certificate of Program Completion.

In order to access guaranteed-issue coverage, the MRMIP subscriber must enroll into an individual insurance policy no later than 63 days after disenrollment from MRMIP.

- 2. Will subscribers be automatically enrolled in Post-MRMIP Guaranteed-Issue Coverage after 36 consecutive months in MRMIP?**

No, subscribers **must** choose a participating plan and apply to the health plan within 63 days after their MRMIP coverage ends to be assured coverage under guaranteed-issue coverage. Subscriber will begin to receive information on guaranteed-issue coverage approximately 90 days prior to their disenrollment date. Subscribers should begin the enrollment process as soon as they receive their Certificate of Program Completion to avoid any complications with their coverage.

- 3. When will subscribers receive their Certificate of Program Completion?**

MRMIP will send a Certificate of Program Completion approximately 45 days prior to each subscriber's disenrollment date from MRMIP.

If the Certificate is not received within 45 days of the disenrollment date, subscribers should contact MRMIP at **1(800) 289-6574** to request the Certificate.

- 4. Are there forms that the subscriber will need in order to enroll in Post-MRMIP Guaranteed-Issue Coverage?**

A subscriber will need the following forms to enroll:

- a) An application from the health plan of choice (applications are provided by each plan)
- b) A Certificate of Program Completion from MRMIP

- 5. Will MRMIP send subscribers an application to enroll in Post-MRMIP Guaranteed-Issue Coverage?**

No, subscribers must contact the plan in which they wish to enroll and request an application. The telephone numbers and website addresses for plans offering post-

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MRMIP guaranteed-issue coverage are included in the Benefits Matrix subscribers received with one of the letters from MRMIP regarding guaranteed-issue coverage.

If a subscriber has not received a Benefits Matrix, he/she should call MRMIP at **1 (800) 289-6574** or view the Department of Managed Health Care (DMHC) and Department of Insurance (DOI) websites. The web addresses are:

www.hmohelp.ca.gov (DMHC)

www.insurance.ca.gov (DOI)

Look for the MRMIP link.

- 6. Will a subscriber be able to select a different insurance carrier than his/her present MRMIP health plan at the time of transition to Post-MRMIP Guaranteed-Issue Coverage?**

Yes, a subscriber may select any health plan carrier that is offering the post-MRMIP guaranteed-issue coverage, provided the subscriber lives in an area covered by the plan. Not all plans offering post-MRMIP guaranteed-issue coverage are available in every zip code in California. Therefore, subscribers are advised to contact the plan in which they wish to enroll to verify whether a particular area is within the service area for the post-MRMIP guaranteed-issue plan.

- 7. Is the plan the subscriber selects for Post-MRMIP Guaranteed-Issue Coverage required to provide coverage?**

Yes, any health care service plan or insurance carrier offering a post-MRMIP guaranteed-issue product is required to provide coverage if the subscriber is otherwise eligible, including meeting the requirement that he/she lives in an area covered by the plan.

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BENEFITS

1. Will MRMIP subscribers' benefits change under the Post-MRMIP Guaranteed-Issue Coverage plan?

All plans that offer post-MRMIP guaranteed issue coverage are required to “mirror” the existing benefit designs (including co-payments charged) of one of the plans offered by the MRMIP as of January 1st of each year. All benefits and co-payments should be the same as the MRMIP standard benefit design selected.

Under the guaranteed-issue plan, the new annual benefit limit is increased from \$75,000 to \$200,000; and subscribers begin a new lifetime benefit maximum of \$750,000.

2. Will the new guaranteed-issue plan have prescription benefits?

Yes, prescriptions are covered. Please check the Benefit Matrix for additional information on prescriptions or contact the participating plans for more information.

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GUARANTEED-ISSUE COVERAGE COST ISSUES

- 1. How much will premiums increase in the Post-MRMIP Guaranteed Coverage plan?**

Premiums will be 10% more than the premiums for the comparable MRMIP product. However, the amount that subscribers pay may vary depending on the plan chosen, whether they moved to a new coverage area, or whether they reached a new age group category.

As with MRMIP, premiums charged for the post-MRMIP guaranteed-issue coverage are subject to change January 1st of each year.

- 2. If a subscriber has reached the maximum annual out-of-pocket (co-payments) limit and is disenrolling from MRMIP after completing 36 months of consecutive coverage, will he/she be required to fulfill a new co-payment requirement under the guaranteed-issue plan?**

Yes. The MRMIP and Post-MRMIP Guaranteed-Issue Coverage are two separate programs. When the subscriber leaves the MRMIP, he/she will be under the requirements of the new plan, including a new co-payment maximum, and the new plan's coverage requirements. There is no provision in the law that would require the carrier to waive the co-payment requirement or give credit for co-payments already incurred in MRMIP.

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GUARANTEED ISSUE COVERAGE

1. How long will subscribers be able to stay on guaranteed-issue coverage?

Subscribers who transition from MRMIP into the post-MRMIP guaranteed-issue coverage can remain with their new individual insurance until they become eligible for Medicare Part A and Part B, or obtain other health insurance. However, coverage would terminate for any subscribers who reach the lifetime maximum of \$750,000.

2. Can a subscriber transfer from one Post-MRMIP guaranteed-issue plan to another?

ONLY under the following limited circumstances will a subscriber be allowed to change post-MRMIP guaranteed-issue plans:

- a) the subscriber moves to a part of the state not covered by that plan, or
- b) the post-MRMIP guaranteed-issue plan providing coverage is no longer available where the subscriber lives.

Unlike the MRMIP, the post-MRMIP guaranteed-issue coverage does not have an annual open enrollment period where participants are able to change plans. This is why it is very important for the subscriber to carefully research the plan they are considering for enrollment before they make their final selection. Subscribers are strongly advised to start researching which plan would be the best for them as soon as they receive their 90-day notice.

3. How long do subscribers have to make another selection if they need to transfer due to a qualifying reason?

To protect their rights under guaranteed-issue coverage, subscribers must make a selection to another plan offering guaranteed-issue coverage in their area and apply to the new plan within 63 days of the termination date of coverage under the previous post-MRMIP guaranteed-issue plan.

4. If the subscriber is dissatisfied with his/her initial plan selection, will he/she be able to change health plans and continue guaranteed-issue coverage?

No. A plan transfer in guaranteed-issue coverage is allowed only under limited circumstances (i.e., subscriber moved out of coverage area or a health plan no longer covers the subscriber's area of residence).

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- 5. If a subscriber becomes eligible for Medicare, is he/she required to disenroll from guaranteed-issue coverage and enroll in Medicare?**

The law states that the subscriber is not eligible for guaranteed-issue coverage if he/she is “eligible for Medicare Part A and B.” The subscriber should enroll in Medicare as soon as he/she is eligible to prevent a period of uncovered service. While a person already enrolled in post-MRMIP guaranteed-issue coverage will not be disenrolled based on Medicare eligibility, the plan can charge the individual a much higher rate than 110% of the MRMIP rate.

- 6. Does MRMIP administer the Post-MRMIP Guaranteed-Issue Coverage program?**

No. MRMIP is administered by the Managed Risk Medical Insurance Board. The health plans participating in post-MRMIP guaranteed-issue coverage are regulated by the Department of Managed Health Care (DMHC). The participating insurance carriers are regulated by the Department of Insurance (DOI).

For more information on these departments, you can go to their websites at:

www.hmohelp.ca.gov (DMHC)

www.insurance.ca.gov (DOI)

Look for the MRMIP link.

The subscriber can also contact these departments directly at their toll free numbers:

DOI: 1 (800) 927-HELP (4357)

DMHC: 1 (888) HMO-2219

- 7. If a subscriber becomes disenrolled from Post-MRMIP Guaranteed-Issue Coverage because of non-payment of premiums or voluntarily at his/her request, can he/she re-enroll in the MRMIP?**

There will be a waiting period before subscribers who lose their guaranteed-issue coverage can re-apply for MRMIP. The subscriber may re-apply for the MRMIP 12 months from the date his/her coverage ended under guaranteed-issue coverage. The subscriber will also be subject to any waiting list which may exist for MRMIP at the time the application is submitted.

When the subscriber re-enrolls in the MRMIP, he/she will be eligible to receive 36 consecutive months of coverage. The subscriber’s continuing participation is subject to maintaining eligibility (e.g., paying premiums, not being eligible for Medicare Part A and Part B, etc.).

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8. If the subscriber moves, can he/she change his/her guaranteed-issue plan?

If the subscriber's guaranteed-issue plan does not provide coverage in the area of the subscriber's new residence, he/she may enroll in another participating post-MRMIP guaranteed-issue plan within 63 days and maintain eligibility for guaranteed-issue coverage.

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DEPENDENT ISSUES

- 1. The subscriber has a dependent who is currently enrolled in MRMIP but the subscriber has reached his/her 36 consecutive months of coverage. Will the dependent have to leave MRMIP when the subscriber is disenrolled?**

No. Dependents are given their own 36 months of coverage under MRMIP. They will be disenrolled from MRMIP and allowed to enroll in the post-MRMIP guaranteed-issue plan after they have completed their own 36 consecutive months of coverage.